

Message Text

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PAGE 01 STATE 018420

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ORIGIN SS-10

INFO OCT-01 SSO-00 CCO-00 ISO-00 NSCE-00 /011 R

66603

DRAFTED BY: S/S-O: COVEY

APPROVED BY: S/S-O:JOHNSON

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O 261832Z JAN 75 ZFF4

FM SECSTATE WASHDC

TO USDEL LOS ANGELES IMMEDIATE

C O N F I D E N T I A L STATE 018420

TOSEC 72

FOLL REPEAT ALGIERS 235 ACTIONSECSTATE INFO ABU DHABI BAGHDAD
CARACAS JAKARTA DOHA JIDDA KUWAIT LAGOS LONDON PARIS QUITO
TEHRAN TRIPOLI VIENNA 26 JAN 75 QUOTE

C O N F I D E N T I A L ALGIERS 0235

E.O. 11652: GDS

TAGS: ENRG, AG

SUBJ: OPEC CONFERENCE

REF: ALGIERS 0234

SUMMARY: OPEC CONFERENCE IN ALGIERS CLOSED JANUARY 26
WIT COMMUNIQUE ANNOUNCING DECISION TO HAVE OPEC SUMMIT
IN ALGIERS LATE FEBRUARY OR EARLY MARCH. FEW DETAILS ON
DELIBERATIONS AVAILABLE, BUT DELEGATES INDICATED PRIVATELY
THAT EMPHASIS WAS ON COOPERATION, NOT CONFRONTATION,
WITH CONSUMERS. END SUMMARY

1. OPEC CONFERENCE WOUND UP 26 JANUARY WITH CLOSED
MORNING SESSION FOLLOWED BY OPEN AFTERNOON SESSION FOR
DISTRIBUTION OF COMMUNIQUE AND FORMAL CLOSING.

2. INFORMATION LEAKING OUT OF CONFERENCE PRIOR TO
COMMUNIQUE AND COMMUNIQUE ITSELF INDICATE:
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PAGE 02 STATE 018420

(A) OPEC SUMMIT CONFERENCE WILL IN PRINCIPLE MEET IN ALGIERS END FEBRUARY/EARLY MARCH (COMMUNIQUE GIVES 21 FEB-8MAR TIME FRAME). SUMMIT TO BE PRECEDED BY EXPERTS MEETING IN VIENNA ON FEBRUARY 8 AND TWO MINISTERIAL MEETINGS, ONE IN VIENNA 19/20 FEBRUARY AND ANOTHER IMMEDIATELY PRECEDING OPEC SUMMIT.

(B) OPEC HAS AGREED TO WHAT IS CALLED "FRENCH PROPOSAL FOR MEETING OF INDUSTRIALIZED COUNTRIES AND LDCS TO STUDY PROBLEMS OF RAW MATERIALS AND DEVELOPMENT" IN ORDER TO FURTHER "TURE INTERNATIONAL COOPERATION" AND "DIALOGUE."

3. ALGERIANS HAVE ALSO SURFACED PROPOSAL ON PRICING. THEIR PROPOSITION INVOLVES CONTINUATION OF FREEZE IN 1975 AND PRICE INCREASES IN 1976 AND 1977 BASED ON AN INDEX CORRELATED TO "CERTAIN FACTORS TO BE DEFINED" AND RATE OF INFLATION. HOWEVER, INCREASE WOULD ONLY BE APPLIED AT 80-90 PERCENT OF MATHEMATICAL RATE IN 1976 AND 1977. VAGUENESS OF THIS WORDING AND OMISSION OF ISSUE IN FINAL COMMUNIQUE REFLECTS CONFERENCE FOCUS ON GENERALITIES RATHER THAN ON NUTS AND BOLTS.

4. DURING COURSE OF JANUARY 25 RECEPTION (NOT DINNER) OFFERED FOR DELEGATES, DIPLOMATIC CORPS AND JOURNALISTS BY FONMIN BOUTEFLIKA, I HAD CHANCE TALK TO MEMBERS MOST OF DELEGATIONS. THEY WERE NOT SAYING MUCH, BUT MESSAGE CONVEYED BY SAUDI (YAMANI), VENEZUELAN AND NIGERIAN WAS THAT CONFERENCE HAD DECIDED ADOPT POSITION OF COOPERATION RATHER THAN CONFRONTATION. YAMANI, FOR INSTANCE, SAID EFFORT WOULD BE MADE KEEP REFERENCES TO IMPERIALISM OUT OF COMMUNIQUE IT TRUE IMPERIALISM NOT MENTIONED BY NAME, BUT WE CONDEMNED BY IMPLICATION IN THIRD PARA COMMUNIQUE). IF ALGERIANS EXPECTED CONFERENCE TO ISSUE CALL FOR JIHAD AGAINST INDUSTRIALIZED COUNTRIES, THEY WERE DISAPPOINTED. THERE ARE RUMORS THAT SUCH IS IN FACT THE CASE, I.E. THAT THEY ARE DISAPPOINTED, BUT WE AS YET HAVE NO HARD FACTS TO BACK THESE RUMORS UP. BOTH BOUTEFLIKA AND MINISTER OF ENERGY ABDESELAM LOOKED CHEERFUL ENOUGH

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PAGE 03 STATE 018420

LAST NIGHT AND THERE WAS NO AUDIBLE GNASHING OF TEETH.

5. YAMANI AND NIGERIAN AMBASSADOR, EACH IN SEPARATE WAYS, INDICATED THATERE WAS CONSIDERABLE APPREHENSION AMONG CONFEREES AS TO INTENTIONS USG, BOTH MILITARILY AND ECONOMICALLY. NIGERIAN, FOR INSTANCE, SAID MOST DELEGATES COULD NOT BELIEVE WE WOULD UNDERTAKE ANYTHING AS POLITICALLY CATASTROPHIC AS SEIZURES OF OIL

FIELDS, BUT THEY ALSO REALIZED THIS WAS A MAD WORLD
WE LIVE IN AND BELIEVED THEY MUST TAKE SERIOUSLY
STATEMENTS BY SENIOR USG OFFICIALS. YAMANI QUIZZED ME
AT LENGTH ON OUR POSITION RE TRIPARTITE AS OPPOSED
BIPARTITE CONFERENCE AND THEN SAID HE ALREADY KNEW AND
UNDERSTOOD OUR RATIONALES, BUT SOME OF HIS COLLEAGUES
(INDICATING THE IRAQI AND LIBYAN OIL MINISTERS TO WHOM
HE HAD JUST INTRODUCED ME) DID NOT. HIS COMMENT
EXPLAINED BY FACT COMMUNIQUE REFERS TO "FRENCH"
PROPOSAL FOR CONFERENCE GROUPING INDUSTRIALIZED
COUNTRIES AND LDCS.

6. CONCLUSION: BELIEVE CONFERENCE RESULTS BETTER
THAN WE HAD ANTICIPATED AS FAR AS INTERESTS INDUSTRIALIZED
COUNTRIES CONCERNED. FOR WHATEVER REASONS,
CONFERENCE HAS DECIDED TAKE PATH OF RELATIVE MODERATION.
HOPE WE WILL BE ABLE TO DEMONSTRATE THAT MODERATION
PAYS.
PARKER

UNQUOTE INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, MEETINGS, EXPORTERS, COMMUNIQUES, TOSEC 72
Control Number: n/a
Copy: SINGLE
Draft Date: 26 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE018420
Document Source: CORE
Document Unique ID: 00
Drafter: O: COVEY
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750029-0231
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750119/aaaaaqyi.tel
Line Count: 136
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 ALGIERS 0234
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2003 by MartinML>; APPROVED <15 SEP 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OPEC CONFERENCE
TAGS: ENRG, AG, OPEC
To: LOS ANGELES IMMEDIATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006